India Infoline Limited

Results for Quarter and Year ended March 31, 2011

May 7, 2011

- Performance highlights
- Business review
- Corporate overview
- Industry update

Unless otherwise mentioned, facts and figures in this presentation refer to those for the India Infoline group (consolidated)

Performance highlights: Year ended March 31, 2011

Overall consolidated financial performance

- Annual Income at ₹14,739 mn, up 31% yoy
- Income growth primarily driven by financing and lending business
- PBT and PAT at ₹3,128 mn and ₹2,111 mn, down 12% and 9% yoy respectively

Equities broking and related

- Average daily turnover in the equities segment up 53% in FY11 to Rs53bn,
- Yields under pressure due to change in the product mix in favor of futures and options segment
- Overall market share in NSE was 4% in FY11, up from 3.8% in FY10
- Commodities market share increased to 2.0% in FY11, up from 1.7% in FY10
- The Wealth Management business now has assets under advisory of over ₹200 bn

Financing and Investing

- The aggregate loan book more than doubled to around ₹33 bn from ₹16 bn in FY10
- NPAs on the book continue to remain less than 1%

Marketing and Distribution

- Marketing and distribution income was ₹1,842.7 mn, up 42.5% yoy
- IIFL offers a wide bouquet of products to customers from all leading insurance companies
- Product mix is dominated by traditional products

Mar'11 Quarter performance - YoY

₹ Mn	Q4FY11	Q4FY10	*Y-Y*
Equities, Broking and related income	1,649.8	1,647.3	*0.2%*
Financing and Investing income	1,576.6	968.5	*62.8%*
Marketing and Distribution income	447.6	479.0	*(6.6%)*
Other income	10.1	3.2	*217.1%*
Total Income	**3,684.1**	**3,098.0**	***18.9%***
A. Direct cost	535.0	505.1	*5.9%*
B. Employee cost	977.0	971.8	*0.5%*
C. Administration expenses	751.4	592.0	*26.9%*
EBITDA	**1,420.7**	**1,029.1**	***38.1%***
Interest	647.5	118.3	*447.4%*
Depreciation and amortization	121.7	119.0	*2.3%*
Profit / (Loss) before tax	**651.5**	**791.8**	***(17.7%)***
Provision for taxation	177.6	268.4	*(33.8%)*
Profit/(Loss) after tax before minority	**473.9**	**523.4**	***(9.5%)***
Minority Interest	6.0	1.3	*363.8%*
Profit/(Loss) after tax	**467.9**	**522.1**	***(10.4%)***

Mar'11 Quarter performance - QoQ

₹ Mn	Q4FY11	Q3FY11	*Q-Q*
Equities, Broking and related income	1,649.8	1,870.1	*(11.8%)*
Financing and Investing income	1,576.6	2,253.3	*(30.0%)*
Marketing and Distribution income	447.6	471.1	*(5.0%)*
Other income	10.1	1.8	*458.5%*
Total Income	**3,684.1**	**4,596.3**	***(19.8%)***
A. Direct cost	535.0	695.7	*(23.1%)*
B. Employee cost	977.0	1,041.8	*(6.2%)*
C. Administration expenses	751.4	659.8	*13.9%*
EBITDA	**1,420.7**	**2,199.0**	*(35.4%)*
Interest	647.5	1,042.3	*(37.9%)*
Depreciation and amortization	121.7	150.6	*(19.2%)*
Profit / (Loss) before tax	**651.5**	**1,006.1**	***(35.2%)***
Provision for taxation	177.6	322.7	*(45.0%)*
Profit/(Loss) after tax before minority	**473.9**	**683.4**	***(30.7%)***
Minority Interest	6.0	12.8	*(53.3%)*
Profit/(Loss) after tax	**467.9**	**670.6**	***(30.2%)***

Financial Year ended March 31, 2011 performance

₹ Mn	FY11	FY10	Y-Y
Equities, Broking and related income	6,697.3	7,018.1	*(4.6%)*
Financing and Investing income	6,180.5	2,917.8	*111.8%*
Marketing and Distribution income	1,842.7	1,293.1	*42.5%*
Other income	19.0	9.8	*94.5%*
Total Income	**14,739.5**	**11,238.8**	***31.1%***
A. Direct cost	2,152.7	1,675.9	*28.5%*
B. Employee cost	3,925.3	3,179.0	*23.5%*
C. Administration expenses	2,593.9	2,010.8	*29.0%*
EBITDA	**6,067.6**	**4,373.1**	***38.7%***
Interest	2,358.0	291.3	*709.3%*
Depreciation and amortization	581.7	534.6	*8.8%*
Profit / (Loss) before tax	**3,127.9**	**3,547.2**	***(11.8%)***
Provision for taxation	980.6	1,206.7	*(18.7%)*
Profit/(Loss) after tax before minority	**2,147.3**	**2,340.5**	***(8.3%)***
Minority interest	35.9	20.6	*74.6%*
Profit/(Loss) after tax	**2,111.4**	**2,319.9**	***(9.0%)***

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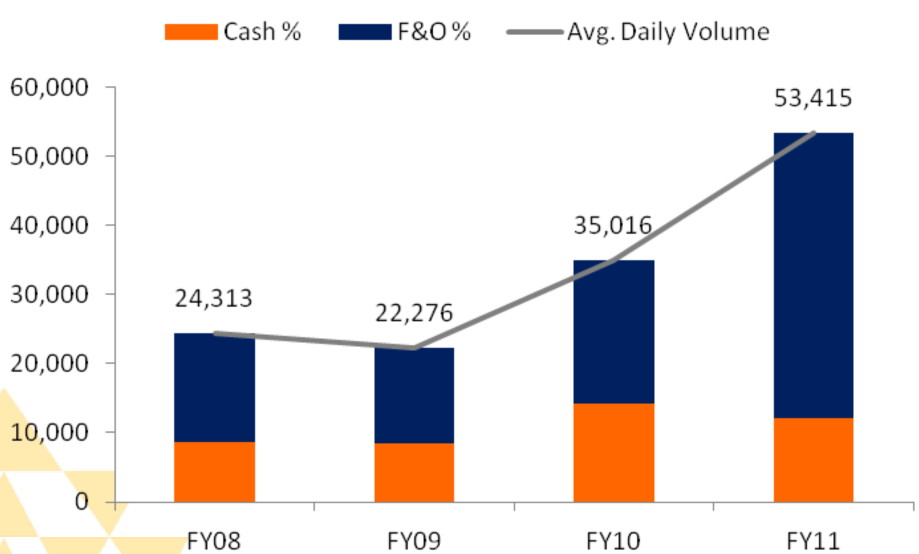
Equities broking

- Equities, broking and related income for FY11 was ₹6,697 mn, down 5% yoy
- Market share on NSE increased to 4.0% in FY11
- Average daily turnover up 53% yoy in FY11 to ₹53 bn, but yields continue to remain under pressure due to change in the product mix in favor of futures and options segment
- Present in around 3,000 business locations through branches and sub-brokers

Average Daily Turnover (₹ mn)



Market share on NSE (in %)

Research

- Over 150 stocks under coverage
- Our in-depth, thematic research has been well received. Our recent research reports include:
  - China Property: A detailed analysis of the China real estate market
  - India Utilities: An analysis of India's cash-strapped utilities and implications for the sector
  - India – Mid-caps: The Chosen Eight: We picked bottom-up mid-cap ideas
  - Enterprising India II - A sequel to last year's edition featuring interviews of over 40 corporates
- Market Mantra, our daily comprehensive retail product covers market outlook, latest news, economy snapshot, personal finance insights, event notes, management meets, research ideas

Research offerings – a few reports

The Chosen Eight: We pick bottom-up mid-cap ideas

A detailed analysis of the China real estate market

A sequel to last year's edition featuring interviews of over 40 corporates

An analysis of India's cash-strapped utilities and implications for the sector

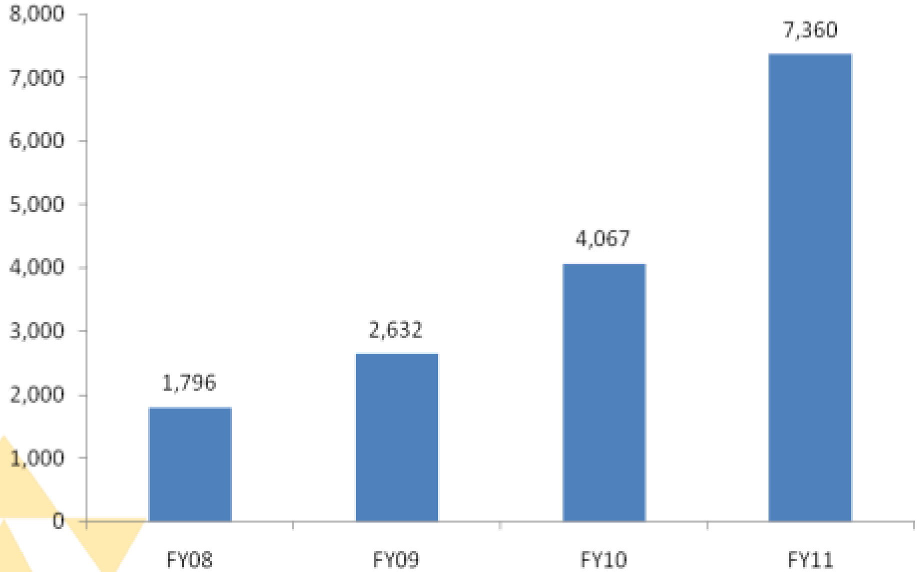
Rigorous company research that goes far beyond the basics

Market Mantra is a comprehensive daily retail product

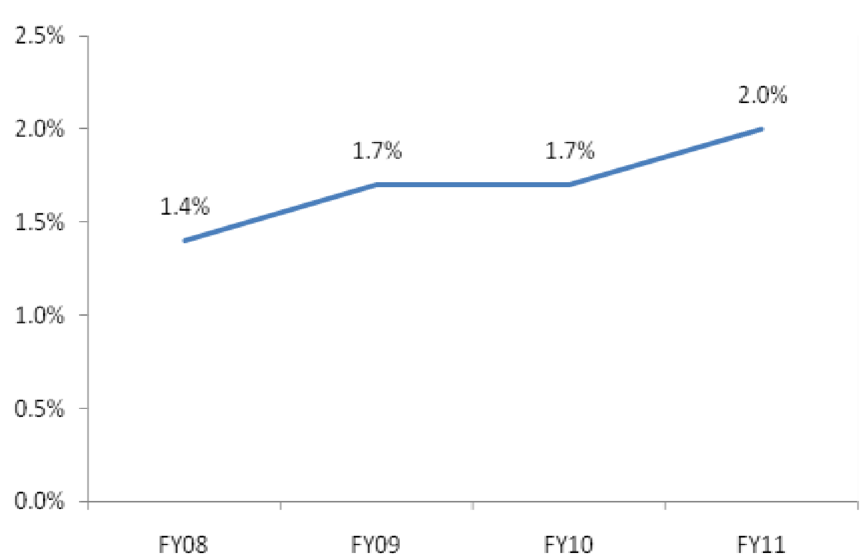
Commodities broking

- Commodities market share increased to 2.0% in FY11 as against 1.7% in FY10
- Average daily turnover up 81% yoy in FY11 to ₹7.4 bn
- The commodities market turnover has increased by 56% over last year

Average Daily Turnover (₹ mn)



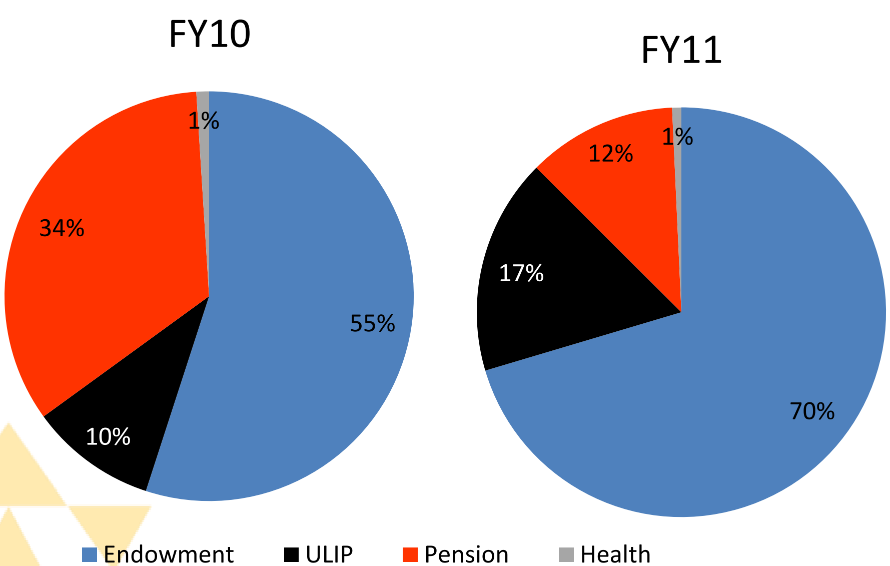
Market share (in %)



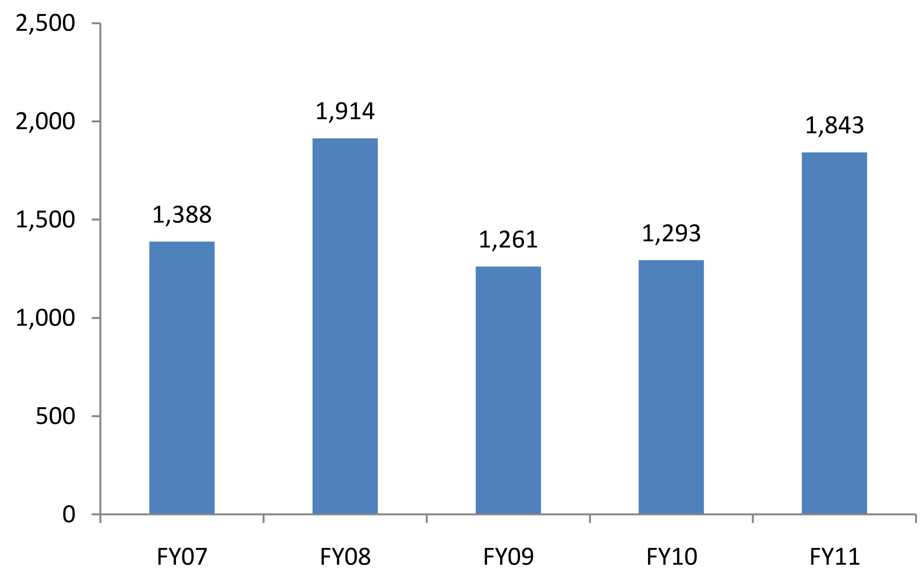
Life Insurance distribution

- Marketing and distribution income in FY11 was ₹1,842.7 mn, up 42.5% yoy
- Insurance premium mobilization was ₹2,753 mn, up 13% yoy
- IIFL offers a wide bouquet of products to customers from several insurance companies including SBI Life, Reliance Life Insurance, Tata AIG, ICICI Prudential, Bajaj Allianz Life and others
- The changes made by the regulator have benefited the consumers and will drive industry growth over the long term

Changing product mix



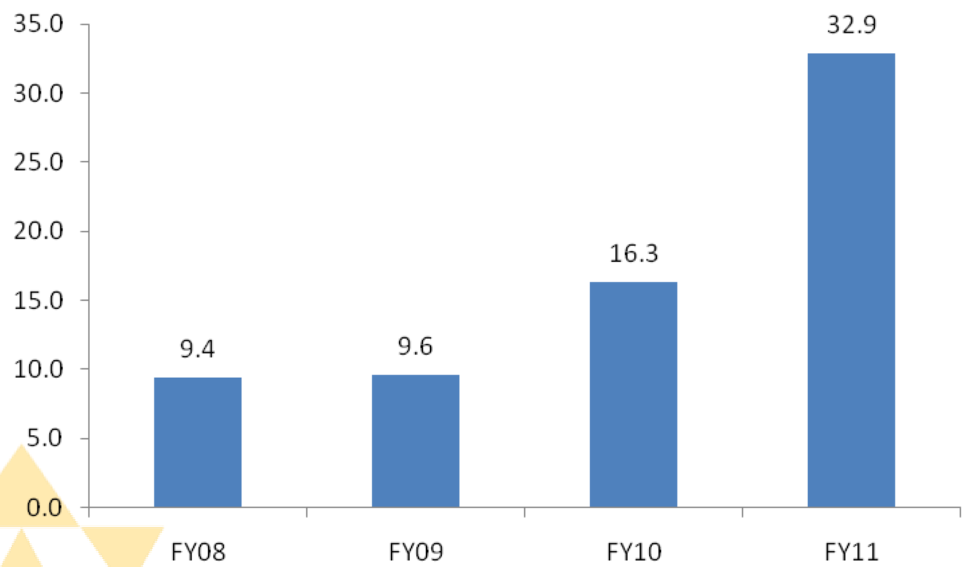
Marketing and Distribution income (₹ mn)



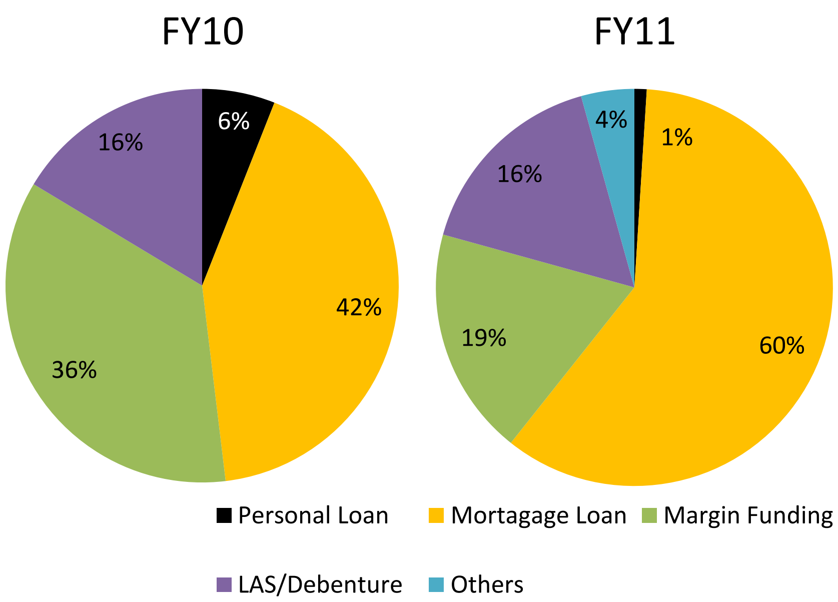
Financing and Lending

- The loans portfolio as on March 31, 2011 increased to around ₹33 bn
- Our loan book largely comprises secured lending with mortgages contributing to 60% and capital market products contributing to 35%.
- Our unsecured loan book has fallen to less than 1% of the total book

Loan Portfolio (₹ bn)



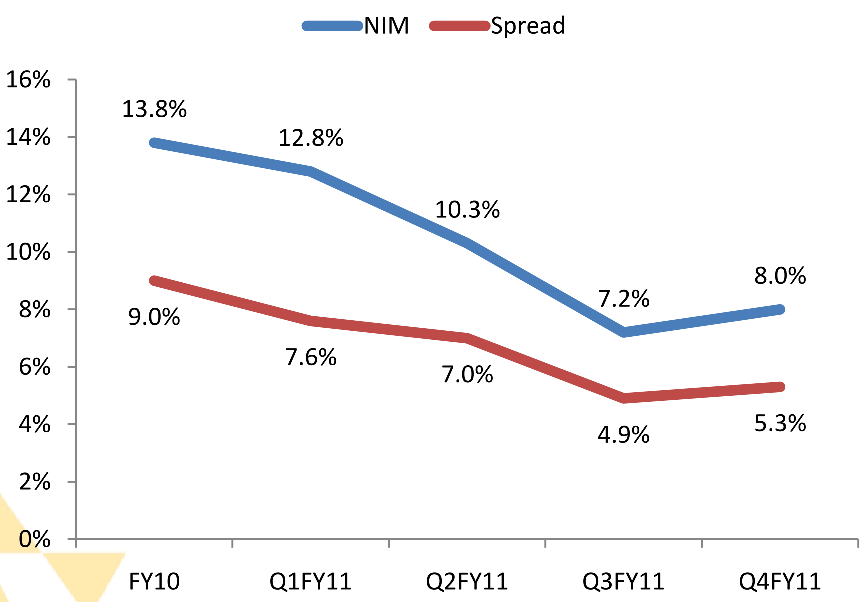
Portfolio break-up



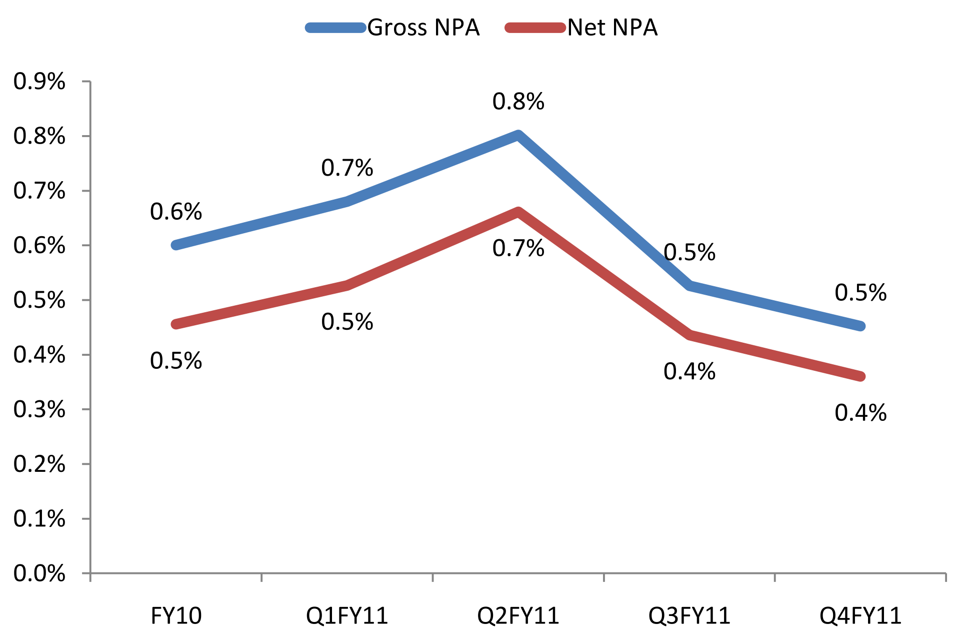
Financing and Lending continued

- NPAs on the books continue to remain less than 1%
- Net interest margin and loan spreads, both are at healthy levels
- During the quarter, we commenced Healthcare Financing. The products being offered include project financing for brown field expansion, medical equipment & ancillary equipment finance, re-finance on existing equipment

Net interest margin and Loan spread (%)



Gross and Net NPA (%)



Wealth management

- Assets under advisory over ₹200 bn
- Introduced Family Office – A multi-manager investment platform offering a complete wealth structuring solution including inter-generational transfer, to clients
- New offices set-up in Mauritius, Switzerland and Hong Kong
- IIFL Mutual Fund, the India Infoline Ltd sponsored mutual fund, has received final regulatory approval from the Securities & Exchange Board of India (SEBI) to start operations

Product Platform

Equity	Debt	Real Estate	Cash
Direct Equity	Bonds & Other Debt	RE Advisory	Cash & Cash Equivalents
Equity Mutual Funds	Debt Mutual Funds	RE managed Accounts (Discretionary PMS)	
Equity Structure Products	Debt Structured Products		
Equity Managed A/c's (DPMS)	Debt Managed A/c's (DPMS)		
Managed Accounts (Discretionary PMS)	Loan Assignments		
Private Equity Transactions			
Separate Demat			

Investment banking

- The deal flow in primary and secondary market has declined significantly during the quarter
- The company continues to invest in strengthening its investment banking team and infrastructure

Deal Snapshot: FY11

Buyback Rs.315mn Hindustan Composites Limited 2011 Manager to Buyback	QIP Rs.1,350mn Tilaknagar Industries Limited 2010 BRLM	FPO Rs.74,423mn Power Grid Corporation of India Limited 2010 Syndicate Member	QIP Rs.2,000mn Vardhman Textiles Limited 2010 Sole BRLM	GDR Rs3,040mn Cox & Kings Limited 2010 BRLM
Private Placement Rs 800mn Arch Pharmalabs Limited 2010 Sole Advisor	IPO Rs 774mn Talwalkars Better Value Fitness Limited 2010 Sole BRLM	Rights Rs11,563mn Videocon Industries Limited 2010 Lead Manager	IPO Rs 2,000mn Parabolic Drugs Limited 2010 Syndicate Member	

**The above list is indicative, not exhaustive*

Best Equity Broker of the Year - 2011

- IIFL was awarded the **'Best Equity Broker of the Year'** at the Bloomberg UTV Financial Leadership Awards, 2011 by the Hon'ble Finance Minister of India, Shri Pranab Mukherjee
- The award was given on the basis of a detailed methodology and process validation conducted by an eminent jury and research conducted by ICRA

BEST EQUITY BROKER 2011

'Best Equity Broker of the Year' at Bloomberg UTV Financial Leadership Awards 2011

March 26, 2011 | Mr Nirmal Jain, Chairman, IIFL and Mr R Venkataraman, Executive Director, IIFL, receiving the 'Best Equity Broker of the year' award from the Hon'ble Finance Minister, Mr Pranab Mukherjee

Launch of Financial Literacy campaign

- FLAME (Financial Literacy Agenda for Mass Empowerment) is IIFL's unique CSR initiative to reach out to millions and spread financial literacy amongst masses
- FLAME was launched by Dr K C Chakrabarty and Mr Deepak S Parekh at a function attended by leading luminaries from the financial service space
- As a part of the FLAME initiative, IIFL has planned an elaborate set of activities:
  - *Financial awareness workshops*
  - *Print media campaign*
  - *Books and publications* – Published '108 Mantras for Financial Success'
  - *Financial awareness helpline* – Live chat and call centre
  - *FLAME portal* - www.flame.org.in
  - *Tie-ups with educations institutes*
  - *Leaderspeak* – Invite industry experts to interact with the audience

February 18, 2011 | Launch of Financial Literacy campaign by IIFL

IIFL Global Investors Conference

- IIFL's global investor conference 'Enterprising India – II' held in Mumbai had a participation of over 400 institutional investors, over 75 Indian and Sri Lankan companies and select specialist speakers
- Specialist speakers included Dr Jim Walker, Dr Shashi Tharoor, Mr Shekhar Gupta, Mr Ajith Nivard Cabraal and Dr John J Ratey
- The conference had a strong line-up of top-quality investors including a number of marquee long-only funds that have estimated investments of more than US$100 billion in India

February 15 - 17, 2011 | IIFL's global investor conference 'Enterprising India – II' held in Mumbai received an overwhelming response

Mr Sat Pal Khattar honoured with the Padma Shri

- IIFL's erstwhile Director, Mr Sat Pal Khattar was conferred the Padma Shri for his distinguished service in the field of Trade and Industry
- Mr Khattar has been an Investor and also served on the Board of Director of IIFL from 2000 to 2010. His guidance has been of immense value in the formative years of the company
- IIFL felicitated him at a function attended by leading luminaries from the financial service space, where Mr Deepak Parekh, Non-Executive Chairman, HDFC delivered the key-note address

May 6, 2011 | IIFL felicitated Mr Satpal Khattar on being conferred the Padma Shri

- Performance highlights
- Business review
- **Corporate overview**
- Industry update

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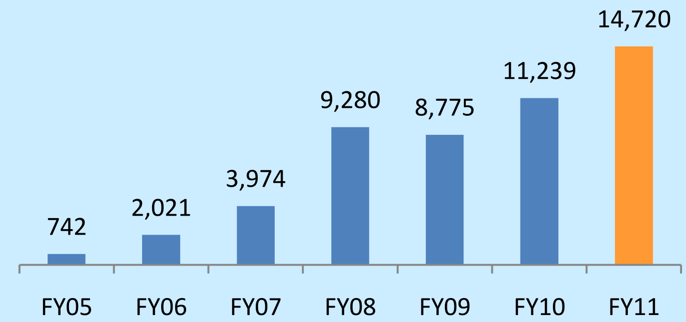
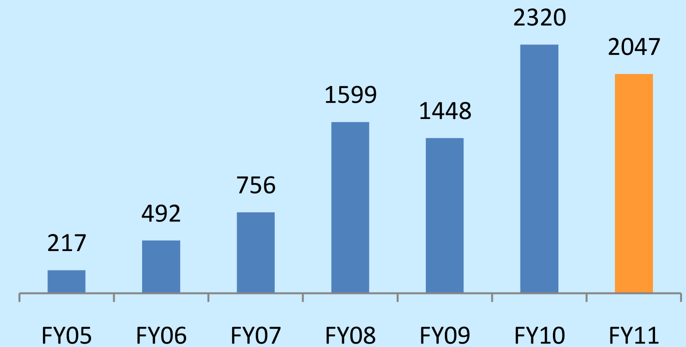
Evolution

1995	↗ Commenced operations as an Equity Research firm
1997	↗ Launched research products of leading Indian companies, key sectors and the economy
1999	↗ Launched www.indiainfoline.com
2000	↗ Launched online trading through www.5paisa.com ↗ Started distribution of life insurance and mutual fund
2003	↗ Launched proprietary trading platform Trader Terminal for retail customers
2004	↗ Acquired commodities broking license ↗ Launched Portfolio Management Service
2005	↗ Maiden IPO and listed on NSE, BSE
2006	↗ Acquired membership of DGCX ↗ Commenced the credit & finance
2007	↗ Commenced institutional equities business under IIFL ↗ Formed Singapore subsidiary, IIFL (Asia) Pte Ltd
2008	↗ Launched IIFL Wealth ↗ Transitioned to insurance broking model
2009	↗ Acquired registration for Housing Finance ↗ Obtained Venture Capital license
2010	↗ Received membership of the Singapore Stock Exchange and Colombo Stock Exchange ↗ Commenced operations in Singapore & Colombo
2011	↗ Received SEBI final approval for IIFL Mutual Fund

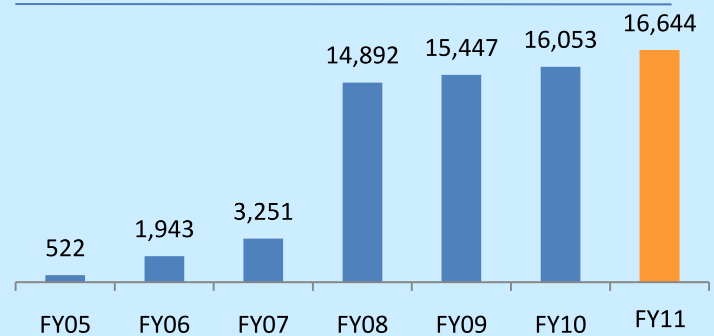
Income (₹ mn)



Net Profit (₹ mn)



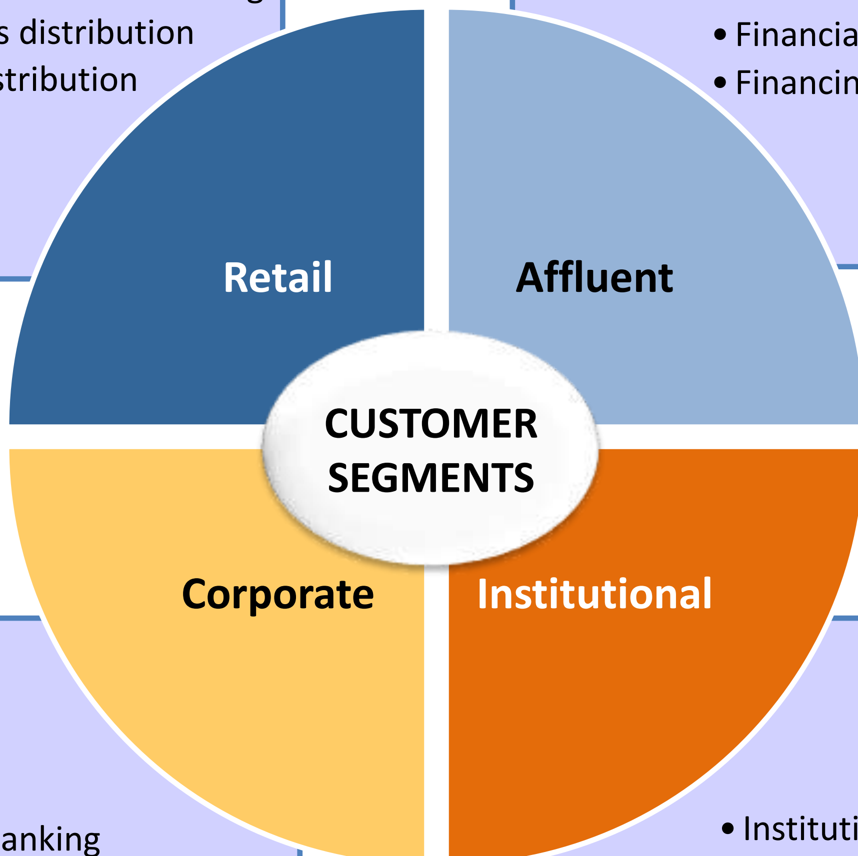
Networth (₹ mn)



Business model

- Equities, commodities broking
- Mutual funds distribution
- Insurance distribution
- Loans

- Wealth management
- Financial advisory
- Financing



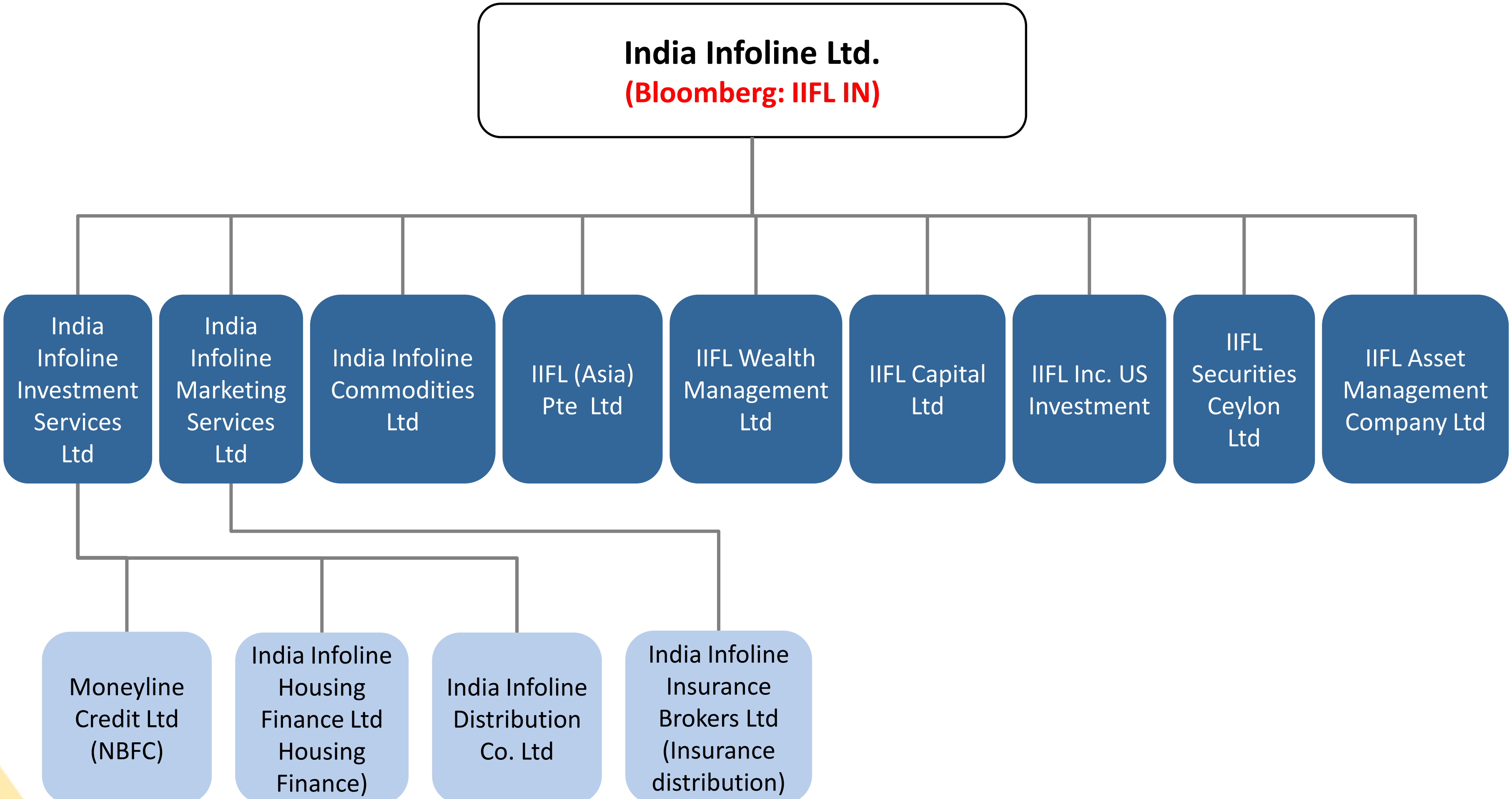
- Investment banking
- Corporate debt

- Institutional equities
- Derivatives

Our service offerings

- Equities
- Insurance
- Credit & finance
- Wealth management
- Asset management
- Investment banking

Corporate structure



** The above chart does not cover all group companies*

Vision and Strategy

Vision

"To become the **Most Respected Company** in the financial services space"

Business Strategy	Customer Strategy	People Strategy
↗ Continuously assimilate, analyse and apply knowledge to power superior financial decisions ↗ Focus on core competence in financial services ↗ Ensure de-risked business through multiple products and diverse revenue streams	↗ Drive stickiness through high quality research & service ↗ Maintain cutting-edge proprietary technology ↗ Wide, multi-modal network serving as one-stop shop to customers	↗ Attract exceptionally talented and driven people ↗ Ensure conducive environment ↗ Liberal Ownership-sharing

Management team

- Team with impeccable academic and professional credentials
- Open door, transparent and performance oriented culture
- Increasing level of employee ownership

Management Team

Chairman	Nirmal Jain	Managing Director	R. Venkataraman
Institutional Equities	H. Nemkumar	Finance	LP Aggarwal
Investment Banking	Ajit Menon, Donald D'Souza	Compliance	R Mohan
Consumer Finance	Pratima Ram	Operations	Narendra Jain
Retail Broking	Nandip Vaidya	Audit & Risk	Upendra Jaiswal
Wealth Management	Karan Bhagat	Human Resources	Pallab Mukherji
International Operations	Bharat Parajia	Technology	Sankarson Banerjee
Offshore Asset Management	Deepesh Pandey, Manish Srivastava		
Insurance Distribution	Mukesh Kumar Singh		

Verticals

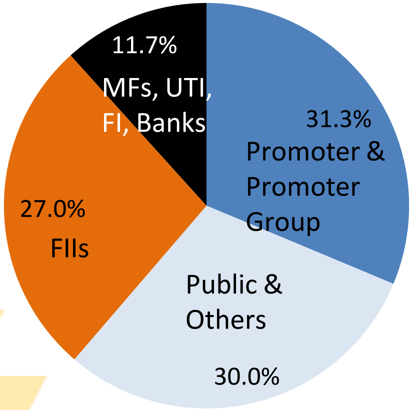
Corporate Functions

Corporate governance

Eminent independent directors of group companies

Name	Designation	Brief Profile
A.K. Purwar	Independent Director	• Joined State Bank in 1968 and became chairman in 2002 • Became Chairman of Indian Banks Association in the year 2005-06 • Received CEO of the year' and 'Outstanding Achiever of the year' award
Nilesh Vikamsey	Independent Director	• Chartered Accountant and partner of Khimji Kunverji & Co • Part of the Managing Council and heading the Corporate Members Committee of the Chamber of Tax Consultants (CTC)
Kranti Sinha	Independent Director	• Director and Chief Executive of LIC Housing Finance Limited -1998 to 2002 • Concurrently was the MD of LICHFL Care Homes • Served as Deputy President of Governing Council of Insurance Institute
M. N. Singh	Independent Director	• Joined the 'Indian Police Service' in 1967 • Worked as the chiefs of the crime branch of Mumbai Police, State CID and Anti-Corruption Bureau

Category-wise shareholding (%)



Board Committees

Board Committees	Key Role
Audit Committee	Supervise financial reporting process and ensure compliance with statutory requirements
Compensation Committee	Review compensation of Executive & Non – Executive Directors and senior employees
Share Transfer & Investor Grievance	Review investor grievances and ensure redressal to the satisfaction of the shareholders

How we differentiate ourselves

Managerial depth	• Promoted by first generation professional entrepreneurs • Highly qualified and experienced Management team
Well-capitalized	• Net worth approximately ₹17 bn • Significant unutilized capacity to leverage
Distribution reach	• Present at over 3,000 business locations across 500 cities in India • Global footprint covers Colombo, Dubai, New York and Singapore
Owner-mindset	• The top management is driven by pride and reward of ownership • To think and work like an owner is part of organization's DNA
Technology edge	• Uniquely placed with proprietary front, mid and back office software • Effectively harnessed technology to provide superior customer experience
De-risked	• De-risked and diversified business model across multiple revenue streams • Multiple products across all segments of financial services

Recent awards and accolades

BEST EQUITY BROKER 2011

'Best Equity Broker of the Year' at Bloomberg UTV Financial Leadership Awards 2011

BEST MARKET ANALYST 2009

Best Analyst awards in the 'Oil & Gas' and 'Commodities' sectors at the Zee Business for 2009

BROKER QUALITY GRADING 2009

CRISIL BQ1

Awarded BQ1 Broker Quality rating (highest rating) from CRISIL

BEST BROKERAGE 2009

Amongst the top 3 for 'Best Brokerage' in India by AsiaMoney for 2009

INDIA'S MOST VALUABE CEOs 2009

Nirmal Jain ranked second in 'India's Most Valuable CEOS' by Business World for 2009

BEST BROKER – INDIA 2008

MOST IMPROVED BROKERAGE – INDIA 2008

FASTEST GROWING BROKING HOUSE 2008

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Equities

Daily cash market turnover (US$bn)

Source: Bloomberg, IIFL Research

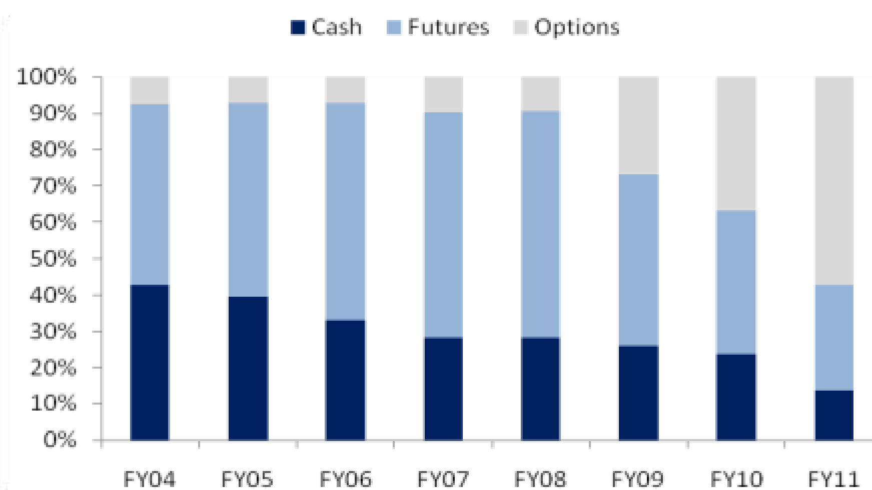
Daily derivatives market turnover (US$bn)

Source: Bloomberg, IIFL Research

Institutional Share of cash market volumes

Source: Bloomberg, IIFL Research. Based on provisional data from the exchanges

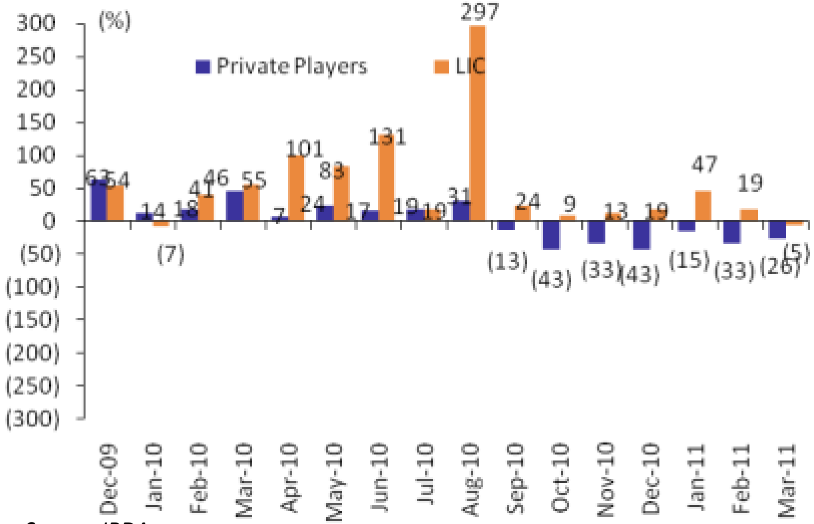
Increasing share of derivatives turnover in market



Source: Exchange website, IIFL Research

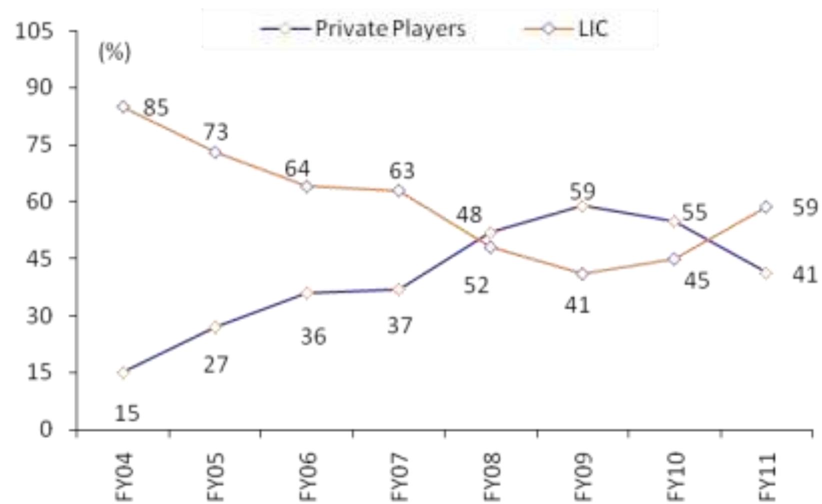
Insurance

APE yoy growth (%) – March 2011



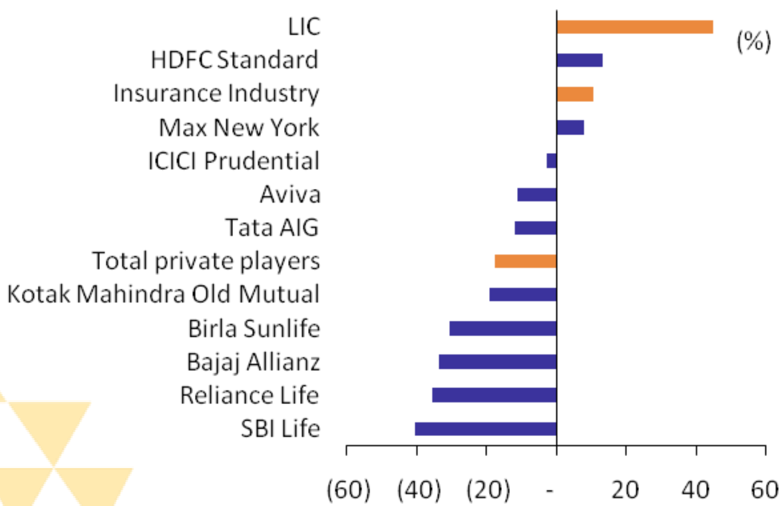
Source: IRDA

APE market share (%) – March 2011



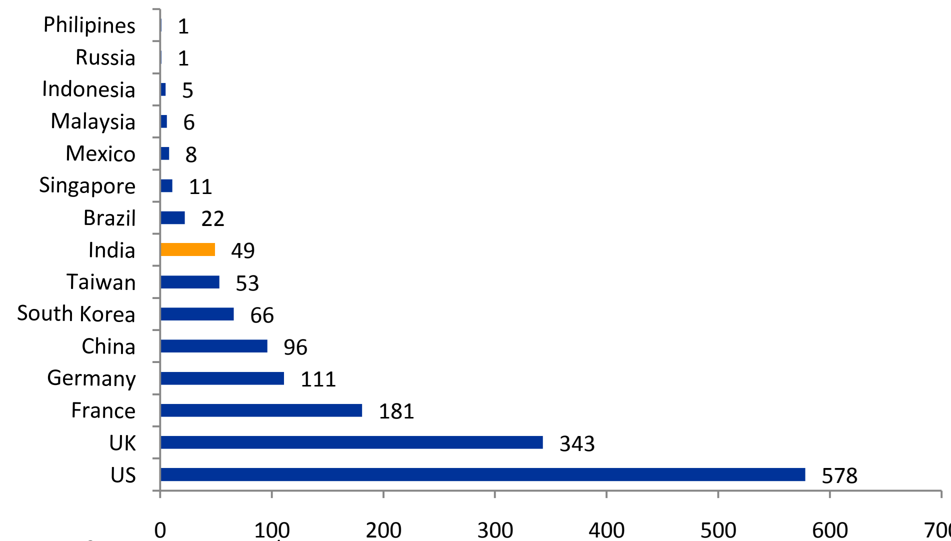
Source: IRDA

APE growth YTD yoy (%) – March 2011



Source: IRDA

Annual life insurance premiums in USD bn (2008)



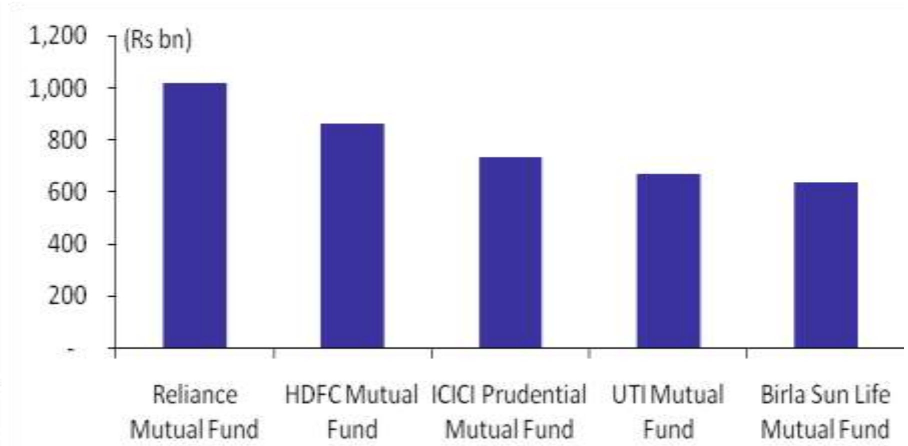
Source: IIFL Research

Mutual funds

Total AUM for the industry (₹ bn) – Mar 2011

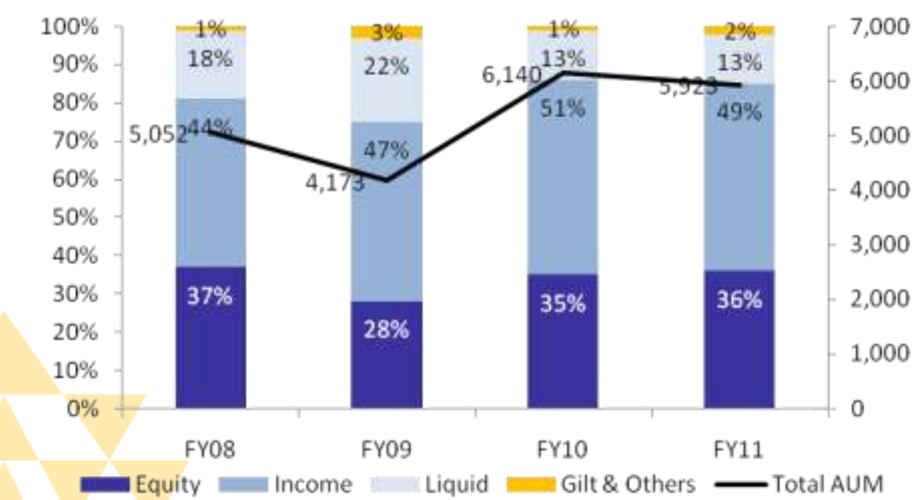
Source: AMFI

Top 5 AMCs contribution (₹ bn) – Mar 2011



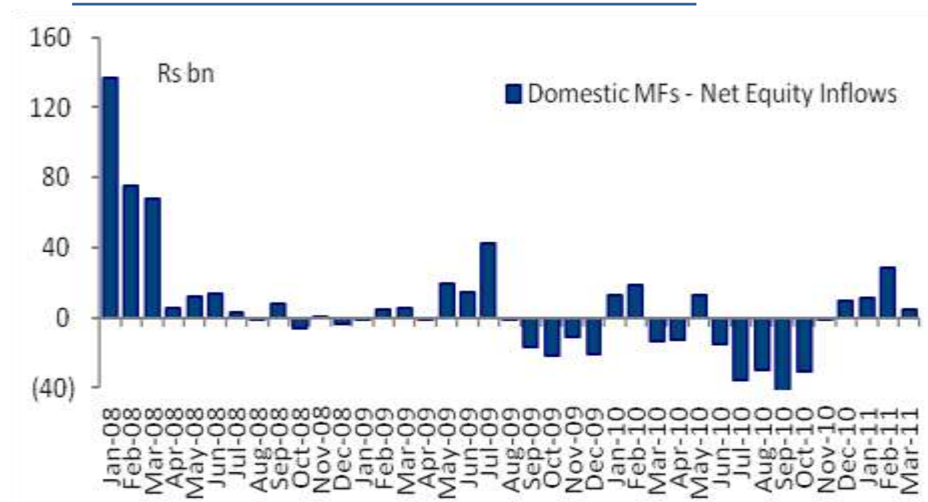
Source: AMFI

AUM by asset class (₹ bn)



Source: AMFI

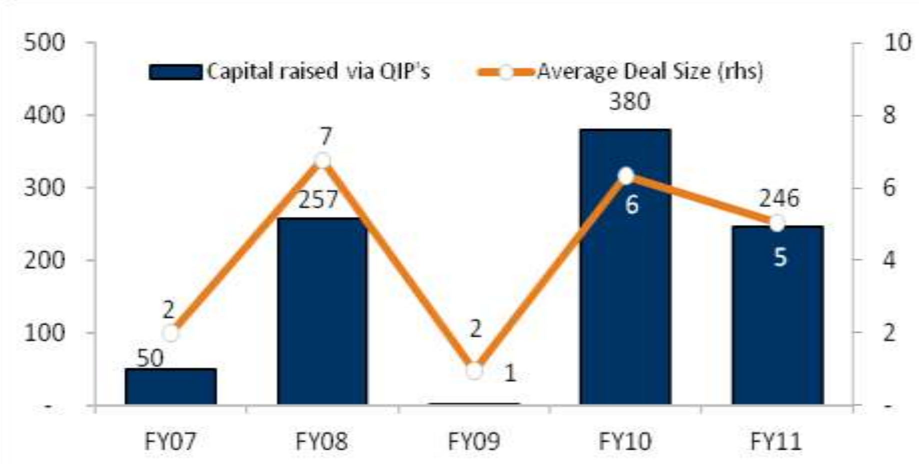
Domestic equity MFs have seen net outflows YTD (₹ bn)



Source: IIFL Research

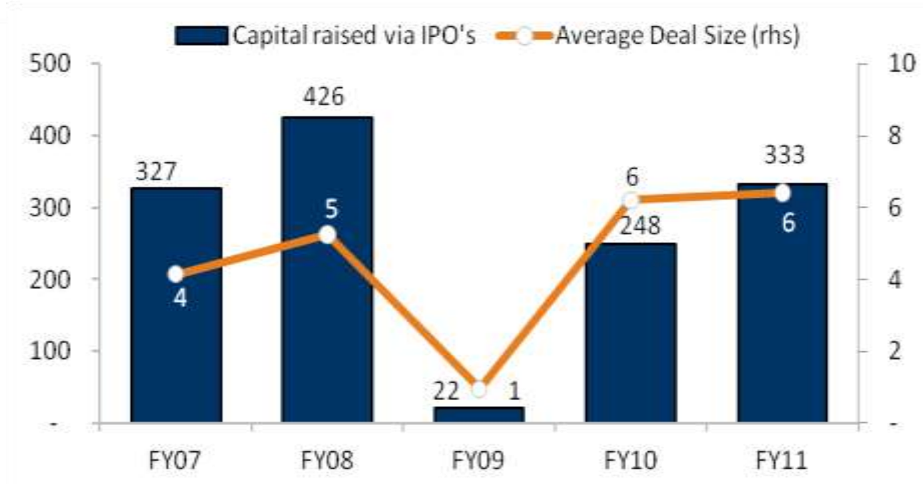
Capital raising and Fund flows

Capital raised through QIPs (₹ bn)



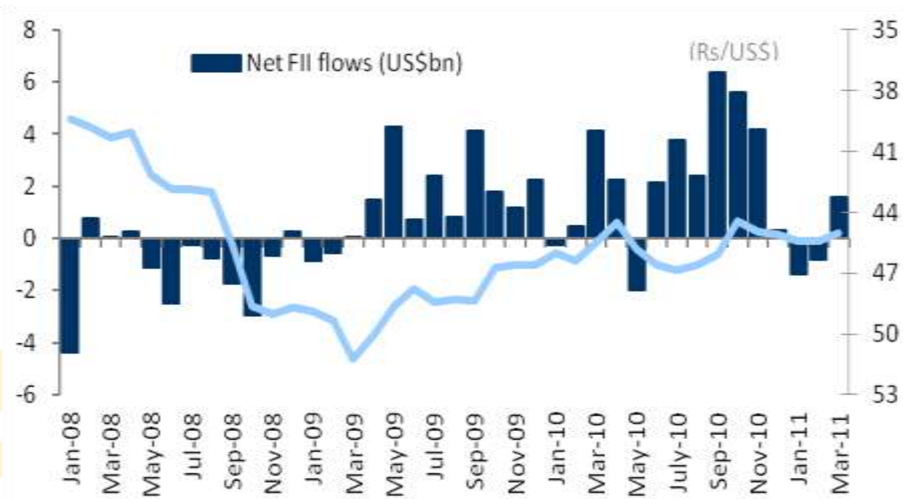
Source: Bloomberg, IIFL Research

Capital raised through IPOs (₹ bn)



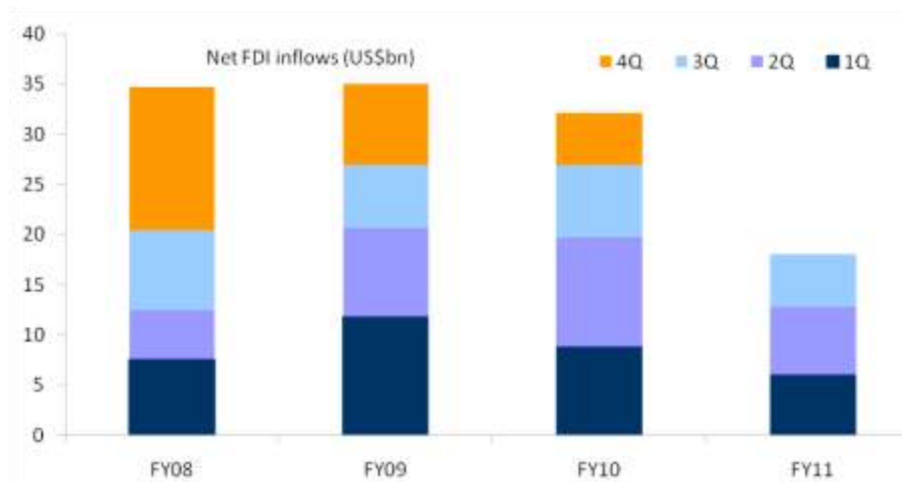
Source: Bloomberg, IIFL Research

Net FII flows (US$bn)



Source: Bloomberg, IIFL Research

FDI inflows (US$bn)



Source: RBI, CMIE, IIFL Research

Thank you

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